

**THE SCHOOL ADMINISTRATOR  
and Uniform Compliance Guidelines  
ISSUED BY THE STATE BOARD OF ACCOUNTS**

**Volume 135, Page 1**

**September 1996**

**ITEMS TO REMEMBER**

- September 1: Prove the Fund Ledger and Ledger of Receipts for the month of August to the control of all funds and reconcile the control with the depository statement. Prove all receipt accounts for each fund to total receipts for that fund. Prove the Ledger of Appropriations, Allotments, Encumbrances, Disbursements, and Balances to the total disbursements of the control account of the Fund Ledger. Prove all expenditure accounts within each program to the total disbursements of that program.
- September 2: Legal Holiday - Labor Day (IC 1-1-9-1)
- September 13: The A.D.M. count shall be taken on this date.
- September 16: Last day to file budgets with county auditor. (At least two (2) days before the first meeting of the County Board of Tax Adjustment, file with the county auditor a statement of the tax rate and levy fixed by the Board of School Trustees and two (2) copies of the budget as adopted for the ensuing budget year) (C 6-1.1-17-5).
- September 18: Meeting of County Tax Adjustment Board. (Each County Tax Adjustment Board, if applicable, shall hold its first meeting of each year on September 18 or on the first business day after September 18, if September 18 is not a business day (IC 6-1.1-29-4).
- September 20: Last day to report and make payment of state and county income tax withheld during August to Department of State Revenue. (Please review Volume 100, of the December 1987, "The School Administrator.")
- September 9-  
September 27: The ADA count shall be taken between these dates.

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**ITEMS TO REMEMBER**

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September 29: Form 30A, Report of A.D.M. for State Support, is due in the office of Department of Education Division of School Finance on or before this date.

Prime Time Report Due

**OCTOBER**

October 1: On or before this date all duties of the County Tax Adjustment Board must be completed (IC 6-1.1-17-9).

Prove all ledgers for the month ending September 30 as outlined for the month of August.

October 9: Legal Holiday - Columbus Day (C 1-1-9-1).

October 13: Form 30B, Report of A.D.A. for State Support is due in the office of the Department of Education, Division of School Finance.

October 15: State Teachers' Retirement Form EOR-4 (Employing Officials' Report of Teacher Contribution Deductions for the first quarter of the 1992-1993 school year) is due in the office of the State Teachers' Retirement Fund Board. IC 21-6.1-7-9 provides "If the treasurer of a school corporation or the township trustee fails to make the reports as required in section 7 or 8 of this chapter, the school corporation which that officer serves is ineligible to receive any distribution of money from the state for school purposes until the reports and payments are received and approved by the board."

October 20: Last day to report and make payment of state and county income tax withheld during September to Department of State Revenue. (Please review Volume 100, December 1987, of "The School Administrator.")

October 31: Last day to file third quarter report with the Internal Revenue Service and complete payment of federal tax withheld.

Requests for textbook reimbursements must be received by the Department of Education, Division of School Finance before November 1.

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ITEMS TO REMEMBER

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NOVEMBER

- November 1: Prove all ledgers for the month ending October 31 as outlined for the month of August.
- November 11: Legal Holiday - Veterans' Day (IC 1-1-9-1)
- November 23: Legal Holiday - Thanksgiving Day (IC 1-1-9-1)
- November 30: On or before June 1 and December 1 of each year (or more frequently if the County Legislative Body adopts an ordinance requiring additional certifications) the School Corporation shall certify a list of the names and addresses of each person who has money due from the School Corporation to the County Treasurer. (IC 6-1.1-22-14).

**TRANSFERS OF MONEY FROM ONE ACCOUNT TO ANOTHER  
WITHIN THE GENERAL FUND**

On June 28, 1976 the Indiana Attorney General issued Official Opinion No. 11 addressed to the State Superintendent of Public Instruction. The opinion was issued in response to the question as to whether a public school corporation is authorized to transfer money from one account of its General Fund to another account within its General Fund without additional prior notice to the public and without prior approval of the State Board of Tax Commissioners.

The conclusion in the opinion states "that by enacting Indiana Code, Section 6-1.1-18-6, the General Assembly intended to authorize a public school corporation, on the same basis as other political subdivisions of government, to transfer money from one major budget classification of its general fund to another classification within that same fund without additional public notice and prior approval of the State Board of Tax Commissioners; but such a transfer could only be made by ordinance adopted at a public meeting of the school board, and the ordinance could not authorize expenditure of money in excess of the total appropriation for the school corporation. This opinion, however, relates only to the intended applicability of Code Section 6-1.1-18-6. Doubts remain as to the constitutionality of the provisions of that section which permit transfer of funds without notice."

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**REVISION OF ACCOUNTING FORMS AND PROCEDURES**

The State Board of Accounts is the agency charged by Indiana law with the responsibility of prescribing, approving and installing accounting systems which shall be uniform for every public office of the same class (IC 5-11-1-2). It is the duty of the various officers of the state and local units of government to use the financial accounting forms and records adopted by the State Board of Accounts (IC 5-11-1-21).

The foregoing is restated as a reminder of the importance and requirement of consulting the State Board of Accounts before commitments are made concerning the revision of your accounting system. Any revision of the system must provide, as a minimum, the information that is included in the prescribed system and as nearly as possible in the same format and terminology. If a change is planned, contact the State Board of Accounts.

**POLICING SCHOOL CROSSINGS**

The Office of the Indiana Attorney General has consistently held that it is primarily the responsibility of the civil unit through its police agency to provide for the safety of the inhabitants on its streets and highways. The matter was also a topic of discussion in Official Opinion No. 38 of 1954 as well as in an Administrative Advisory Letter dated April 4, 1986.

An Assistant Attorney General provided in an unofficial opinion issued on March 20, 1958 that a school corporation has no authority to engage in public safety separately and could not do so jointly with a civil city or town. The unofficial opinion provided that public safety is a function of the civil municipality and not of a school corporation.

IC 36-9-12-4 provides authority for cities and towns in using the funds collected from parking meters to pay the cost of purchase, maintenance, operation, repair and all other costs of providing school crossing protective facilities.

The above items are the basis for our audit position that the providing of school crossing guards would be the responsibility of the municipal or county government that has jurisdiction over public safety of the roads that the students would be crossing.

A school corporation could be precluded from proceeding under "Home Rule", as the responsibility has been given to other specific units of government. However, if it could be determined that funds were not available by the municipal unit to provide for crossing guards, and if the School Board, with written advice of the School Corporation Attorney passes a "Home Rule" resolution stating their policy and desire to provide crossing guards, then the State board of Accounts would not take an audit exception to the School Corporation providing the crossing guards.

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**PAYMENT OF BONDS AND COUPONS**

The General School Powers Act, specifically IC 20-5-4-2, provides that general obligation bonds authorized by the statute and issued by the place or places, as the governing body may determine. Bonds issued for the funding of judgments or for the purchase of school buses shall mature not more than five (5) years from the date of the bonds.

Bonds issued for other purposes shall mature not more than twenty-five (25) years from the issue date of such bonds. The governing body may provide that principal and interest of the bonds shall be payable at a bank within the State of Indiana, and may also be payable at the option of the holder, at such other bank or banks as may be designated by the governing body, either before or after the sale. The governing body is authorized to pay the fees of such bank paying agent or agents and shall deposit with the paying agent, if any, on or within a reasonable period before the date any principal and interest shall become due, sufficient money for the payment of such principal and interest on the due dates thereof.

If the governing body desires to do so, it may by resolution, designate a bank or banks or trust company as paying agents. On or within a reasonable period before the due date for each bond redemption or interest payment the corporation treasurer may deposit with the paying agent sufficient funds to meet such bond redemption and interest payment, which requires the establishment of an account at the designated bank and for monthly bank statements of the condition of the account. The statement may be rendered at the same time as other monthly bank statements and shall enclose (properly cancelled and with the date of the cancellation) the bonds and coupons paid during that month. The procedures will allow the bookkeeper to match the bonds and coupons paid and returned by the bank with the balance of the fund at the bank. Also the bookkeeper can post to the Bond Register (Form 53) those bonds and coupons paid each month by the bank so that the Bond Register will be currently and accurately posted at the close of each month.

Payment of any fees due the paying agent must be supported by an itemized claim properly filed and allowed by the governing body.

Schools may also issue "bonds, notes, evidences of indebtedness, or other written obligations" in fully registered or book entry form. These types of obligations may have as a registrar or paying agent the issuing entity, a bank or trust company, or a securities depository corporation. The bank or trust company need not be a depository bank under IC 5-13, and need not be located within the State of Indiana.

Notwithstanding any other provision of law, registers or registration books or transfer records for bonds, notes, evidences of indebtedness, or other written obligations of any entity are not public records, but are only for the use of the entity, any trustee, fiduciary, paying agent, registrar, co-registrar, or transfer agent. A trust department of a bank having possession of these records shall not disclose them to a bond department, commercial department, subsidiary of the bank, or a subsidiary of the parent corporation of the bank. (IC 5-1-15-5)

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**PAYMENT OF BONDS AND COUPONS**

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Registrars of bond issues shall keep a register of ownership of bonds.

Since the paying agency or registrar shall keep a register to ownership of bonds and all bonds and coupons shall be paid when becoming due, we see no reason for the municipality to duplicate those same records maintained by the paying agent or registrar by keeping a bond register. There should be no unpaid outstanding matured bonds or coupons.

**AUDIOMETER TESTS**

IC 20-8.1-7-17 provides the governing body of every school corporation shall annually conduct an audiometer test or a similar test to determine the hearing efficiency of all school children in the first, fourth, seventh, and tenth grades, of all transferred school children and of all school children suspected of having hearing defects. The governing body may appoint the technicians and assistants necessary to perform such testing. Records of all tests shall be made and continuously maintained in order to provide information which may assist in diagnosing and treating any child's auditory abnormality. Diagnosis and treatment shall be performed only on recommendation of an Indiana physician who has examined the child. The local governing body may adopt rules and regulations for the administration of this requirement.

The expense of administering the tests shall be paid from the General Fund of the School Corporation.

IC 20-8.1-7-18 also sets forth certain remedial measures to be taken by the school corporation for the hearing handicapped. It provides that whenever the required test discloses that the hearing of any child is impaired and the child cannot be taught advantageously in regular classes, the governing body of the school corporation shall provide appropriate remedial measures and correctional devices. The governing body shall advise the child's parents of the proper medical care, attention and treatment needed. The governing body shall provide approved mechanical auditory devices and prescribe courses in lip reading by qualified, competent and approved instructors. The superintendent of public instruction and the director of vocational education of the rehabilitation services board shall cooperate with the school corporations to provide this assistance; they shall also provide advice and information to assist school corporations in complying with this statute. The local governing body may adopt rules and regulations for the administration of this section of the statute.

Each school corporation may accept bequests and donations to assist in meeting the costs and expenses incurred in complying with these statutory requirements. There are some loan provisions included with a two year repayment requirement. The two years to begin with the date of advancement.

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**OBSOLETE VOLUME**

All articles of Volume 95 of The School Administrator have now been updated and reprinted in later volumes or are no longer applicable; thus, Volume 95 which was distributed in September of 1986 may now be deleted from your files.

**CONSOLIDATED OMNIBUS BUDGET RECONCILIATION ACT OF 1985  
(COBRA)**

COBRA could require continuation of group health insurance coverage to be afforded through the School Corporation. Any questions concerning the application of COBRA to a particular corporation should be directed to the School Corporation Attorney.

Should the School Corporation Attorney determine that an obligation exists, we recommend that effort be made to convince your insurance carrier to accept the personal checks from individuals for continuation of benefits and not burden the School Corporation with the bookkeeping requirements.

Insurance companies absolutely refusing to process payments, will necessitate that employee checks received for continuation of benefits be receipted to the clearing account number 927.3 and disbursed from account number 927.4. These clearing accounts will need to be established in your chart of accounts.

**TRANSPORTATION FUND SALARIES**

Office of the Attorney General Advisory No. 96-78 states in the Conclusion that "The school transportation fund was established to cover costs which are attributable to transportation. Indiana Code 21-2-11.5-2(b)(1) thru (b)(7) set forth the costs which may be attributed to transportation. According to subsection (b)(1), the salaries of 'transportation-related' employees may be paid from this fund. As the school superintendent and school corporation treasurer do not appear to be positions that are transportation-related, payment from the transportation fund of the salaries attached to these positions would be improper. Finally, the use of the school bus replacement fund established under IC 21-2-11.5-2(a)(2), to cover the costs of a lease-purchase agreement for the acquisition of a new bus appears to be within the intent of the General Assembly and is a logical extension of the statute."